

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 79 - HB 69

February 16, 2015

SUMMARY OF BILL: Authorizes the State Fire Marshal to assess a civil penalty, not to exceed \$1,000 against fire protection sprinkler contractors, fire extinguisher specialists, technicians or firms, and liquid petroleum gas dealers for each applicable violation of any state law, rule or regulation.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$500

Increase State Expenditures – Not Significant

Assumptions:

- Based on information provided by the Department of Commerce and Insurance, there are no current monetary penalties for fire protection sprinkler contractors, fire extinguisher specialists, technicians or firms, or liquid petroleum gas dealers for violating state law, rules, or regulations.
- Currently, any such contractor, specialist, technician, firm, or dealer who is found in violation of the law may be penalized by suspension or revocation of licensure.
- Complaints may be filed against licensees, but rarely do such complaints lead to a suspension or revocation of a license.
- In 2014, there were four (4) fire sprinkler complaint cases opened and one (1) liquefied petroleum complaint case filed.
- The Department does not anticipate that each complaint will likely result in a violation or a civil penalty, but feels the authority to issue a civil penalty will serve as an effective deterrent to any violations.
- In order for the civil penalty to act as a deterrent, the State Fire Marshal will have to assess the civil penalty. It is estimated at least one civil penalty will be assessed and paid every two years resulting in an annualized increase in state revenue exceeding \$500 (\$1,000 / 2 years).
- It is anticipated that more complaint cases will be filed, but there will also be a decrease in repeat offenders. Any additional responsibilities resulting from the proposed legislation will not significantly increase the current workload of the State Fire Marshal's Office and can be accommodated within the office's existing resources.

IMPACT TO COMMERCE:

Increase Business Expenditures – Exceeds \$500

Assumption:

- There will be an increase in non-deductible business expenses for a licensee who fails to adhere to state law, rules, or regulations. It is estimated that civil penalties resulting from the proposed legislation will exceed \$500 annually.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Jeffrey L. Spalding, Executive Director

/jdb